



Michael D. Peroo CPA, PA

Exceeding Expectations

CITY OF LEBO, KANSAS

**Financial Statements for the
Year Ended December 31, 2019
And Independent Auditors' Report**

CITY OF LEBO, KANSAS

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-3
FINANCIAL STATEMENT:	
Summary Statement of Receipts, Expenditures and Unencumbered Cash	4
Notes to Financial Statement	5-17
REGULATORY REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule 1 - Summary of Expenditures - Actual and Budget	18
Schedule 2-A - General Fund - Schedule of Receipts and Expenditures - Actual and Budget	19
Schedule 2-B - Economic Development Fund - Schedule of Receipts and Expenditures	20
Schedule 2-C - Law Enforcement Fund - Schedule of Receipts and Expenditures - Actual and Budget	21
Schedule 2-D - Employee Benefit Fund - Schedule of Receipts and Expenditures - Actual and Budget	22
Schedule 2-E - Special Highway Fund - Schedule of Receipts and Expenditures - Actual and Budget	23
Schedule 2-F - Special Liability Fund - Schedule of Receipts and Expenditures - Actual and Budget	24
Schedule 2-G - Park and Recreation Fund- Schedule of Receipts and Expenditures - Actual and Budget	25
Schedule 2-H - Capital Improvement Reserve Fund - Schedule of Receipts and Expenditures	26
Schedule 2-I - Municipal Equipment Reserve Fund - Schedule of Receipts and Expenditures	27
Schedule 2-J - Gas Fund - Schedule of Receipts and Expenditures - Actual and Budget	28
Schedule 2-K - Water Fund - Schedule of Receipts and Expenditures - Actual and Budget	29
Schedule 2-L - Sewer Fund - Schedule of Receipts and Expenditures - Actual and Budget	30
Schedule 2-M - Solid Waste Fund - Schedule of Receipts and Expenditures – Actual and Budget	31
SUPPLEMENTAL INFORMATION:	
Schedule of Selected Utility Statistics	32
Schedule of Other Statistics	33



Exceeding Expectations

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council
City of Lebo, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Lebo, Kansas (City), as of and for the year ended December 31, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Lebo on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2019, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Regulatory-Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respect in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Additional Supplementary Information

The supplemental schedules on pages 32 thru 33 are not necessary for a fair presentation of the financial statements, but are presented as additional analytical data. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statement on these schedules, and we do not express an opinion on these schedules.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City as of and for the year ended December 31, 2018 (not presented herein), and have issued our report thereon dated June 11, 2019. The 2018 basic financial statement and or accompanying report are not present herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2018 actual column (2018 comparative information) presented in the

individual fund schedules of regulatory basis receipts and expenditures - actual and budget for the year ended December 31, 2019 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2018 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2018 basic financial statement or to the 2018 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2018, on the basis of accounting described in Note 1.

Michael D. Peroo, CPA, PA

April 29, 2020

Olathe, Kansas

Michael D. Peroo, CPA

Michael D. Peroo, CPA
In Charge of and Actively Engaged
on this Audit

CITY OF LEBO, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Beginning Unencumbered Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>
General Fund	\$ 255,154	\$ 559,419	\$ 481,418	\$ 333,155
Special Revenue Funds:				
Economic Development Fund	13,530	39,947	34,562	18,915
Law Enforcement Fund	24,490	7,385		31,875
Employee Benefit Fund	2,617	28,341	27,922	3,036
Special Highway Fund	3,401	24,407	22,062	5,746
Special Liability Fund	1,124	2,626	1,989	1,761
Special Park and Recreation Fund	17,725	42,492	49,840	10,377
Capital Project Funds				
Capital Improvement Reserve	156,698	100,000	23,667	233,031
Municipal Equipment Reserve	25,851	15,000	4,995	35,856
Enterprise Funds				
Gas Fund	318,549	241,500	225,086	334,963
Water Fund	194,814	244,231	238,819	200,226
Sewer Fund	155,341	94,693	100,908	149,126
Solid Waste	<u>21,088</u>	<u>66,437</u>	<u>72,888</u>	<u>14,637</u>
Total Reporting Entity	\$ <u>1,190,382</u>	1,466,478	1,284,156	\$ <u>1,372,705</u>
Less Transfers:		<u>155,000</u>	<u>155,000</u>	
Net Receipts and Disbursements		\$ <u>1,311,478</u>	\$ <u>1,129,156</u>	

COMPOSITION OF CASH:

Farmers State Bank of Aliceville - Operating Account	\$ 3,136
Farmers State Bank of Aliceville -Savings	1,333,183
Farmers Sate Bank of Aliceville - Debit Card	316
Farmers State Bank of Aliceville - Economic Development	19,207
Farmers State Bank of Aliceville - Utility Deposit Savings	16,593
Farmers State Bank of Aliceville - Community Building	250
Cash Drawer	<u>20</u>
Total Reporting Entity	\$ <u>1,372,705</u>

CITY OF LEBO, KANSAS

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Basis of Presentation - Fund Accounting - The accounts of the City of Lebo, Kansas are organized on the basis of funds, each of which is considered a separate accounting entity.

The following types of funds comprise the financial activities of the City for 2019.

Governmental funds:

General fund - to account for all unrestricted resources except those required to be accounted for in other funds or account groups.

Special revenue funds - to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation.

Debt service funds - to account for the payment of interest and principal on long-term general debt obligation.

Proprietary funds:

Enterprise funds - to account for operations that are financed and operated in a manner similar to business enterprises, where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

- b. Basis of Accounting - These financial statements are presented on a basis of accounting, which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

The municipality has approved a resolution to prepare the financial statements on a cash basis.

- c. Departure from Generally Accepted Accounting Principles - The basis of accounting described above results in a financial statement presentation that shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets, such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance, are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end did not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not

presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

- d. Budgetary Information - Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the Budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of Hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2019.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds.

Spending in funds, which are not subject to the legal annual operating budget requirement, is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

- e. Comparative Amounts - The amounts shown for the year ended December 31, 2018 in the accompanying financial statements are included to provide a basis for comparison with 2019 and are not intended to present all information necessary for a fair presentation in accordance with the cash basis and budget laws of Kansas.

2. DEPOSITS

At December 31, 2019 the carrying amounts of the City's deposits were \$1,372,685 and the bank balances were \$1,396,081. The differences between the carrying amount and the bank balances are outstanding checks and deposits in transit. The bank balance is covered by FDIC insurance and collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

K.S.A. 9-1401 establishes the depositories, which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no investments.

Custodial Credit Risk - deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a Joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50% . There were no designated "peak periods" during the year.

3. TAXES

Property Taxes – The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes is due December 20, prior to the fiscal year for which they are budgeted, and second half is due the following May 10.

Motor Vehicle Taxes – Since 1981 most motor vehicles became subject to a special tax paid at the time of registration instead of the traditional property tax. In 1995, the legislature enacted a five-year phase down in the assessment rate on motor vehicles for 30% to 20% of market value.

In 2019, the City received the following from county and state taxes:

	General Fund	Law Enforcement	City Special Liability	Special Highway Fund	Employee Benefit Fund	Totals
Property Taxes	\$ 155,243	\$ 6,296	\$ 2,226	\$	\$ 24,002	\$ 187,767
Motor Vehicle Taxes	27,180	1,089	399		4,339	33,007
Sales Taxes	116,958					116,958
State Highway Aid				24,407		24,407
	<u>\$ 299,381</u>	<u>\$ 7,385</u>	<u>\$ 2,625</u>	<u>\$ 24,407</u>	<u>\$ 28,341</u>	<u>\$ 362,139</u>

The mill levies are as follows:

General Fund	30.211	29.866
Employee Benefit Fund	4.661	4.762
Law Enforcement Fund	1.216	1.242
Special Liability	0.434	0.443
	<u>36.522</u>	<u>36.313</u>

The assessed valuation for 2019 was \$5,098,264 and \$4,973,374 in 2018.

4. UTILITIES

The City provides water, sewer, gas and trash services. The City mails their utility bills between the 23rd and the 25th of each month. The utility bills are due by the 1st of the following month. Bills not paid by the 10th are subject to a late charge fee of 10%. If service is disconnected the customer shall pay said bill and penalty and further service charge in the sum of \$50 before turning the water back on.

The water rates were increased in January 1, 2019 as follows:

Inside City (residential):

0-1,000 gallons	\$ 23.00
All above 1,000 gallons	\$ 9.25 per 1,000 gallons
Minimum bill	\$ 23.00

Outside City and Commercial:

0-1,000 gallons	\$ 33.00
All above 1,000 gallons	\$ 10.00 per 1,000 gallons
Minimum bill	\$ 33.00

Wholesale

0 - 10,000	\$ 9.00 per 1,000 gallons
11,000 - 100,000	\$ 8.25 per 1,000 gallons
101,000 - 250,000	\$ 7.25 per 1,000 gallons
all above 250,000	\$ 6.25 per 1,000 gallons

Any person making application for water service is required to make a deposit of \$75 for property owners or \$125 for renters.

The sewer rates for 2019 are as follows:

\$17 for the first 1,000 gallons and \$.70 for each additional 1,000 gallons.

The trash rates for 2019 are as follows:

\$13.25 per month for residential solid waste removal. There is a charge of \$3 for a trash tote, and \$4 per additional tote.

The gas rates for 2019 are as follows:

\$5.89 per 1,000 cubic feet over the cost of gas per 1,000 MMBTU and the transportation charges per month.

Any person making application for gas service is required to make a deposit of \$150 for property owners and \$200 for renters.

5. LONG-TERM DEBT

The City's long-term debt is comprised of two loans from Kansas Department of Health.

Kansas Water Pollution Control Revolving Fund

In July 2005, the City entered into a 20-year loan agreement with Kansas Department of Health and Environment for the construction of a sewer main extension. The total cost of the project was \$467,079.

The amount of the loan is up to \$467,079 (\$157,831 and \$183,801 outstanding at December 31, 2019 and 2018, respectively) bearing interest at a rate of 2.81%, principal and interest payments made on a semi-annual basis beginning one year after the completion of the project.

Changes in Kansas Water Pollution Control Revolving Fund:

Beginning Balance	\$ 183,801
Payments	<u>25,970</u>
Ending Balance	<u>\$ 157,831</u>
Interest Payments	<u>\$ 5,428</u>
Total Payments	<u>\$ 31,398</u>

Payments subsequent to 2019:

	Principal	Interest	Total
2020	\$ 26,771	\$ 4,627	\$ 31,398
2021	27,596	3,802	31,398
2022	28,447	2,951	31,398
2023	29,324	2,074	31,398
2024	30,229	1,169	31,398
2025	<u>15,464</u>	<u>236</u>	<u>15,700</u>
	<u>\$ 157,831</u>	<u>\$ 14,859</u>	<u>\$ 172,690</u>

Kansas Water Supply Revolving Fund

In December 2012, the City entered into a 20-year loan agreement with Kansas Department of Health and Environment for the replacement of approximately 7,000 feet of aging asbestos cement waterlines with PVC waterlines and install an altitude valve on the elevated storage tank. The total cost of the project was estimated at \$406,496.

The amount of the loan is up to \$409,864 (\$323,272 and \$341,342 outstanding at December 31, 2019 and 2018, respectively) bearing interest at a rate of 2.16%, principal and interest payments made on a semi-annual basis beginning February 1, 2015.

Changes in Kansas Water Pollution Control Revolving Fund:

Beginning Balance	\$ 341,342
Payments	<u>18,070</u>
Ending Balance	<u>\$ 323,272</u>
Interest Payments	<u>\$ 7,276</u>
Total Payments	<u>\$ 25,346</u>

Payments subsequent to 2019:

	Principal	Interest	Total
2020	\$ 18,463	\$ 6,883	\$ 25,346
2021	18,864	6,482	25,346
2022	19,273	6,073	25,346
2023	19,692	5,654	25,346
2024	20,119	5,227	25,346
2025	20,556	4,790	25,346
2026	21,003	4,343	25,346
2027	21,459	3,887	25,346
2028	21,925	3,421	25,346
2029	22,401	2,945	25,346
2030	22,888	2,458	25,346
2031	23,385	1,961	25,346
2032	23,892	1,454	25,346
2033	24,411	935	25,346
2034	<u>24,943</u>	<u>403</u>	<u>25,346</u>
	<u>\$ 323,272</u>	<u>\$ 56,915</u>	<u>\$ 380,188</u>

6. CONTRACTS

In 1994, the City entered into a 40-year agreement with Public Wholesale District No. 12, (District) to buy a minimum amount of 3,000,000 gallons per month. The City is to pay the District \$3.42 per 1,000 gallons purchased. Starting January 2006, the rate per 1,000 increased to \$3.45. In December 2007 there was another amendment to the contract when the City of Lebo annexed customers of Coffey County RWD #3 that were within the District's territory. In December 2012 the contract was amended to reduce the minimum to 1,750,000 gallons per month, and the maximum to 3,500,000 per month. The District increased the water rate from \$3.75 to \$4.00 in 2013. The District increased the rate to \$4.50 per 1,000 gallons in September 2017 and to \$5.00 in 2019. In 2019 and 2018, respectively, the City purchased 18,883,000 and 20,022,000 gallons from the Public Wholesale District.

In January 2012, the City entered into a ten-year contract with the Kansas Department of Wildlife. In the contract, the City agrees to allow public fishing access on certain tracts of water and the Department of Wildlife will pay the City \$4,075, annually.

The City has contracted with Maguire Iron Co, Inc. to provide maintenance on the 100,000-gallon water towers and 50,000-gallon water towers for nine years. The City's contract began in 2013 and will be payable every other year in the amount of \$1,550.

In January 2016, the City entered into a contract with USDI to inspect and maintain the gas system annually. The City will pay \$4,950 annually.

In February 2016, the City entered in to a contract with USDI to complete paperwork and reports related to the gas system. The City will pay \$4,950 annually.

In March 2019, the City entered into a one-year contract with Steve's Trash to collect and dispose of solid waste inside the corporate City limits for \$12.75 per customer, per month. In 2019, the City paid \$62,888 for collection and disposal of solid waste.

In September 2016, the City entered into a contract with Encore Energy Services, Inc (Encore) to provide natural gas to the residents of the City. The City will pay \$3.20 per MMBtu plus transportation, fuel charge and gas loss. In 2019, the City paid Encore \$90,398 for services.

7. COMPENSATED ABSENCES FOR EMPLOYEES

Full time employees of the City will be eligible for vacation and sick leave after six months of service. Eligible employees shall take at least 6 vacation days each year. An employee may carry-over vacation days to the next year, with a maximum carry-over amount allowance of 30 days.

<u>Years of Service</u>	<u>Per year</u>
0-9 years	1 day per month
10-19 years	1 ½ day per month
After 19	2 days per month

Full time employees will receive a maximum of 2 weeks (10 working days) paid sick leave per year. Sick leave is cumulative up to a maximum of 480 hours. On termination an employee will receive one-sixth (1/6) a maximum of 80 hours accrued sick leave paid. At December 31, 2019, City employees had a combined balance of 1,118 hours of sick leave, a cash value of \$18,760 and a balance of 844 hours of vacation leave, a cash value of \$16,410.

8. CONCENTRATIONS OF CREDIT RISK

The City is engaged in the sale of water, sewer, gas and trash to customers located in Coffey County in Kansas. The City grants credit to those customers and requires no collateral.

9. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures In 2019	Expenditures To Date
Streetscape Project	\$963,074	-	\$963,074

Although not part of a capital project, the City also made expenditures on the following large items in 2019:

Parks and Recreation

Gel coat and fiberglass repair	\$ 14,340
Lifeguard chair and slides	6,228
Upgrading concession and bathroom	4,201
Upgrading basketball court	6,000
Recycled rubber mulch	2,580
Concrete pillars for batting cage	2,000
Less < \$2,000	2,755
	<u>\$ 35,349</u>

General Government

Electronic informational sign	\$ 23,046
Downtown trashcans	3,319
Copier	4,995
Bullet proof vest and equipment	1,071
	<u>\$ 32,431</u>

Utilities

Utility line locator	<u>\$ 1,817</u>
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10. COMPLIANCE WITH KANSAS LAW

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the City. There were no apparent statutory violations during the year ended December 31, 2019 for the funds that were part of this audit.

11. RELATED PARTY

The city was not aware of any related party transactions during the year of 2019.

12. PENSION PLAN

General Information about the Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414 (h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% and 8.46% for the fiscal year ended December 31, 2019 and 2018, respectively.

The City has five employees that participate in the Plan. The payroll for the employees covered by the System for 2019 and 2018 was \$223,623 and \$200,003, respectively and the City's total payroll for 2019 and 2018 was \$295,569 and \$278,158.

The contribution requirement for the year ended December 31, 2019 and 2018 was \$33,297 and \$28,786, which consisted of \$13,417 and \$12,002 from the employee, respectively, and \$19,880 and \$16,784 from the City, respectively. The City also contributed \$2,236 for insurance.

Net Pension Liability

At December 31, 2019, the City's proportionate share of the collective net pension liability reported by KPERS was \$160,670. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

13. INFRASTRUCTURE

The City has elected not to comply with Governmental Accounting Standard No. 34 (GASB 34) regarding the capitalization and tracking of infrastructure or capital assets.

14. RISK MANAGEMENT

The City is exposed to various risks of loss to torts, theft of, damage to, and destruction of assets, job-related injuries and illnesses to employees. To insure against the various risks, the City has obtained various insurance coverage through EMC Insurance Companies. See Schedule of Insurance for details.

15. ADEQUACY OF UTILITY RATES

To determine whether the city was charging adequate rates for sewer, trash, water, and gas the City calculated the operating ratio and debt service ratio as applicable. The target minimum for both of these ratios is 1.20 and 1.25 respectively. The City uses these ratios to facilitate management in measuring the adequacy of the rates. There is no penalty for falling below these benchmarks.

The Operating Ratio for the following funds is as follows:

	Water	Gas	Sewer	Trash
Operating Revenues	\$ 242,637	\$ 240,324	\$ 93,737	\$ 66,437
Operating Expenses	<u>\$ 212,573</u>	<u>\$ 205,086</u>	<u>\$ 59,511</u>	<u>\$ 62,888</u>
Operating Ratio	<u>1.14</u>	<u>1.17</u>	<u>1.58</u>	<u>1.06</u>

The Debt Service Ratios for the Sewer and Water Funds are as follows:

Debt Service	Sewer Fund	Water Fund
Net Receipts	\$ (6,215)	\$ 5,412
Add Back:		
Debt Service	31,397	25,346
Transfer Out	<u>10,000</u>	<u></u>
Available for debt service	\$ 35,182	\$ 30,758
Debt service	<u>\$ 31,397</u>	<u>\$ 25,346</u>
Debt Service Ratio	<u>1.12</u>	<u>1.21</u>

16. COMMITMENTS AND CONTINGENCIES

The City is not involved in any litigation.

17. TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General Fund	Capital Improvement Fund	K.S.A. 12-1,118	\$ 100,000
General Fund	Municipal Equip Reserve Fund	K.S.A. 12-1,117	15,000
Solid Waste Fund	General Fund	K.S.A. 12-825d	10,000
Gas Fund	General Fund	K.S.A. 12-825d	20,000
Sewer Fund	General Fund	K.S.A. 12-825d	10,000
			<u>\$ 155,000</u>

18. LEASE

The City (lessee) entered into a lease purchase agreement with Flint Hills Bank (lessor) on December 4, 2018. The purpose of the lease is for the upgrade to the downtown of the City. The lessee will pay \$14,453 semi annually beginning June 2, 2019 through December 1, 2028. The interest rate is based on the ten-year treasury plus 150 basis points. Outstanding balance at December 31, 2019 and 2018 was \$199,314 and \$231,000, respectively.

Subsequent payments are as follows:

Year	Payment
2020	\$ 28,906
2021	28,906
2022	28,906
2023	28,906
2024	28,906
2025	28,906
2026	28,906
2027	28,906
2028	28,906
	<u>260,154</u>
Less interest	60,840
	<u>\$ 199,314</u>

19. ECONOMIC DEVELOPMENT

The City's Economic Development program provides loans to businesses in the City. The terms of the loans are 10 years and the interest rate is 4%. The City had outstanding loans of \$243,285 at December 31, 2019. In 2019, the City advanced \$42,000 to three businesses and received \$40,345 in payments.

Note receivable, business, monthly installments of \$800, beginning January 1, 2017 and ending December 1, 2027. Interest rate of 4%.	\$	58,509
Note receivable, business, monthly installments of \$554 beginning March 1, 2019 and ending October 1, 2028. Interest rate of 4%.		49,922
Note receivable, business, monthly installments of \$341, beginning June 1, 2012 and ending May 1, 2022. Interest rate of 4%.		2,600
Note receivable, business, monthly installments of \$306, beginning April 8, 2019 and ending November 8, 2028. Interest rate of 4%.		27,446
Note receivable, business, monthly installments of \$275, beginning September 1, 2019 and ending August 1, 2029. Interest rate of 4%.		26,256
Note receivable, business, monthly installments of \$1,000, beginning September 1, 2018 and ending August 1, 2028. Interest rate of 4%.	\$	<div style="text-align: right;"> <u>78,552</u> <u>243,285</u> </div>

20. SUBSEQUENT EVENTS

In preparing the financial statements, and according to ASC 855, Subsequent Events, the District has evaluated events and transactions for potential recognition or disclosure through April 29, 2020, the date the financial statements were available to be issued. There are no additional events or transactions that require adjustment to or disclosure in these financial statements.

* * * * *

CITY OF LEBO, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Expenditures Chargeable to Current Year	Certified Budget	Variance Favorable (Unfavorable)
General Fund	\$ 481,418	\$ 831,057	\$ 349,639
Special Revenue Funds:			
Law Enforcement Fund		17,472	17,472
Employee Benefit Fund	27,922	38,023	10,101
Special Highway Fund	22,062	26,730	4,668
Special Liability Fund	1,989	2,620	631
Special Parks and Recreation Fund	49,840	52,154	2,314
Enterprise Funds:			
Gas Fund	225,086	244,416	19,330
Water Fund	238,819	245,427	6,608
Sewer Fund	100,908	101,760	852
Solid Waste Fund	72,888	72,888	
Total Budgeted Funds	<u>1,220,932</u>	<u>\$ 1,632,547</u>	<u>\$ 411,615</u>
Non Budgeted Funds:			
Capital Improvement Fund	23,667		
Municipal Equipment Reserve	4,995		
Economic Development	34,562		
Total Non Budgeted Funds	<u>63,224</u>		
Total Expenditures	<u>\$ 1,284,156</u>		

CITY OF LEBO, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018 Actual	2019 Actual	2019 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Property Tax	\$ 147,492	\$ 155,243	\$ 154,023	\$ 1,220
Sales Tax	129,991	116,965	115,000	1,965
Motor Vehicle Tax	25,093	27,180	27,487	(307)
Intergovernmental Receipts	155,710	155,710	155,710	
Franchise Tax	29,711	27,283	27,000	283
Licenses and Fees	5,358	5,220	5,000	220
Swimming Pool	9,708	8,637	10,000	(1,363)
Fines	6,288	3,664	3,000	664
Reimbursements and other	11,040	9,462	14,000	(4,538)
Transferred In	30,000	40,000	40,000	
Interest on Idle Funds	8,438	10,055	60	9,995
Total Receipts	558,829	559,419	\$ 551,280	\$ 8,139
EXPENDITURES:				
General Administration				
Personnel Services	45,336	45,589	55,000	9,411
Contractual Services	33,614	41,983	44,000	2,017
Commodities	33,868	31,413	28,000	(3,413)
Miscellaneous	3,023	2,699		(2,699)
Capital Outlay	24,736	2,951	3,000	49
	140,577	124,635	130,000	5,365
Law Enforcement				
Personnel Services	68,699	86,709	70,000	(16,709)
Contractual Services	6,882	7,121	9,300	2,179
Commodities	12,128	12,006	14,000	1,994
Capital Outlay		1,071	9,000	7,929
	87,709	106,907	102,300	(4,607)
Street Lights				
Contractual Services	17,884	17,643	18,500	857
	17,884	17,643	18,500	857
Streets				
Contractual Services		550		(550)
		550		(550)
Parks and Recreation				
Personnel Services		1,294		(1,294)
Contractual Services	1,042	1,075	4,800	3,725
Capital Outlay			4,000	4,000
Commodities	23,013	20,640	26,000	5,360
	24,055	23,009	34,800	11,791
Infrastructure	58,375	8,652	280,710	272,058
	58,375	8,652	280,710	272,058
Swimming Pool				
Personnel Service	18,986	18,972	24,814	5,842
Contractual Service	5,592	2,633	2,900	267
Commodities	11,747	11,845	14,589	2,744
Sales Tax	125	99		(99)
Capital Outlay		9,066	2,000	(7,066)
	36,450	42,615	44,303	1,688
Debt Service		42,407	42,500	93
Transfer Out	107,500	115,000	177,944	62,944
Total Expenditures	472,549	481,418	\$ 831,057	\$ 349,639
Receipts over (under) Expenditures	86,281	78,001		
UNENCUMBERED CASH, BEGINNING	168,873	255,154		
UNENCUMBERED CASH, ENDING	\$ 255,154	\$ 333,155		

CITY OF LEBO, KANSAS
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

 (With Comparative Actual Total for the Prior Year Ended December 31, 2018)

	2018	2019
RECEIPTS:		
Loan Payments	\$ 29,548	\$ 30,407
Interest Payments	7,343	9,440
Miscellaneous	200	100
	<hr/>	<hr/>
Total Receipts	37,091	39,947
EXPENDITURES:		
Tourism	2,500	2,500
Economic Development Loan	90,500	32,062
	<hr/>	<hr/>
Total Expenditures	93,000	34,562
	<hr/>	<hr/>
Receipts over (under) Expenditures	(55,909)	5,385
UNENCUMBERED CASH, BEGINNING	<hr/> 69,439	<hr/> 13,530
UNENCUMBERED CASH, ENDING	\$ <hr/> <hr/> 13,530	\$ <hr/> <hr/> 18,915

CITY OF LEBO, KANSAS**LAW ENFORCEMENT FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2019**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018 Actual	2019 Actual	2019 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
County Tax	\$ 7,241	\$ 7,385	\$ 7,330	\$ 55
Total Receipts	7,241	7,385	<u>\$ 7,330</u>	<u>\$ 55</u>
EXPENDITURES:				
Capital Outlay			17,472	17,472
Total Expenditures	-		<u>\$ 17,472</u>	<u>\$ 17,472</u>
Receipts over Expenditures	7,241	7,385		
UNENCUMBERED CASH, BEGINNING	<u>17,249</u>	<u>24,490</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 24,490</u>	<u>\$ 31,875</u>		

CITY OF LEBO, KANSAS**EMPLOYEE BENEFIT FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2019**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018 Actual	2019 Actual	2019 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Property and Vehicle Taxes	\$ 28,289	\$ 28,341	\$ 28,142	\$ 199
Transfer from General			8,423	(8,423)
Total Receipts	28,289	28,341	<u>\$ 36,565</u>	<u>\$ (8,224)</u>
EXPENDITURES:				
Employee Benefit	27,505	27,922	38,023	10,101
Total Expenditures	27,505	27,922	<u>\$ 38,023</u>	<u>\$ 10,101</u>
Receipts over (under) Expenditures	784	419		
UNENCUMBERED CASH, BEGINNING	<u>1,833</u>	<u>2,617</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 2,617</u>	<u>\$ 3,036</u>		

CITY OF LEBO, KANSAS**SPECIAL HIGHWAY FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2019**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018 Actual	2019 Actual	2019 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
State Tax	\$ 24,477	\$ 24,407	\$ 24,730	\$ (323)
Total Receipts	24,477	24,407	\$ 24,730	\$ (323)
EXPENDITURES:				
Personnel Services	12,895	13,189	13,207	18
Contract Expense	4	-		-
Commodities	12,909	8,872	13,523	4,651
Total Expenditures	25,808	22,062	\$ 26,730	\$ 4,668
Receipts over (under) Expenditures	(1,331)	2,345		
UNENCUMBERED CASH, BEGINNING	4,732	3,401		
UNENCUMBERED CASH, ENDING	\$ 3,401	\$ 5,746		

CITY OF LEBO, KANSAS**SPECIAL LIABILITY FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2019**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018 Actual	2019 Actual	2019 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Property and Vehicle Taxes	\$ 2,446	\$ 2,626	\$ 2,618	\$ 8
Total Receipts	2,446	2,626	<u>2,618</u>	<u>8</u>
EXPENDITURES:				
Contractual Services	1,489	1,989	\$ 2,620	\$ 631
Total Expenditures	1,489	1,989	<u>2,620</u>	<u>631</u>
Receipts over (under) Expenditures	957	637		
UNENCUMBERED CASH, BEGINNING	167	1,124		
UNENCUMBERED CASH, ENDING	<u>\$ 1,124</u>	<u>\$ 1,761</u>		

CITY OF LEBO, KANSAS**SPECIAL PARK AND RECREATION FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2019**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018 Actual	2019 Actual	2019 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Coffey County Receipt	\$ 37,868	\$ 37,868	\$ 37,868	\$
Miscellaneous	1,180	4,624		4,624
Total Receipts	39,048	42,492	<u>\$ 37,868</u>	<u>\$ 4,624</u>
EXPENDITURES:				
Personal Cost	3,365	6,701	\$ 5,654	\$ (1,047)
Contractual Service	7,954	7,263	9,000	1,737
Commodities	14,813	8,336	17,500	9,164
Capital Outlay	15,560	27,540	20,000	(7,540)
Total Expenditures	41,692	49,840	<u>\$ 52,154</u>	<u>\$ 2,314</u>
Receipts over (under) Expenditures	(2,644)	(7,348)		
UNENCUMBERED CASH, BEGINNING	<u>20,369</u>	<u>17,725</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 17,725</u>	<u>\$ 10,377</u>		

CITY OF LEBO, KANSAS

CAPITAL IMPROVEMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

(With Comparative Actual Total for the Prior Year Ended December 31, 2018)

	2018	2019
RECEIPTS:		
Lease proceeds	\$ 231,000	\$
Transferred from General	<u>92,500</u>	<u>100,000</u>
Total Receipts	323,500	100,000
EXPENDITURES:		
Capital outlay	<u>231,033</u>	<u>23,667</u>
Total Expenditures	<u>231,033</u>	<u>23,667</u>
Receipts over (under) Expenditures	92,467	76,333
UNENCUMBERED CASH, BEGINNING	<u>64,231</u>	<u>156,698</u>
UNENCUMBERED CASH, ENDING	\$ <u><u>156,698</u></u>	\$ <u><u>233,031</u></u>

CITY OF LEBO, KANSAS

MUNICIPAL EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

(With Comparative Actual Total for the Prior Year Ended December 31, 2018)

	2018	2019
RECEIPTS:		
Transferred from General	\$ <u>15,000</u>	\$ <u>15,000</u>
Total Receipts	15,000	15,000
EXPENDITURES:		
Capital Outlay	<u>38,500</u>	<u>4,995</u>
Total Expenditures	38,500	4,995
Receipts over (under) Expenditures	(23,500)	10,005
UNENCUMBERED CASH, BEGINNING	<u>49,351</u>	<u>25,851</u>
UNENCUMBERED CASH, ENDING	\$ <u><u>25,851</u></u>	\$ <u><u>35,856</u></u>

CITY OF LEBO, KANSAS**GAS FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2019**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018 Actual	2019 Actual	2019 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Sales - Customers	\$ 268,743	\$ 236,630	\$ 250,000	\$ (13,370)
Sales Tax	4,080	3,694	3,475	219
Interest Income	59	60	45	15
Reimbursed Expenses and Other Income	581	1,116	300	816
Total Receipts	273,463	241,500	\$ 253,820	\$ (12,320)
EXPENDITURES:				
Personnel Services	54,689	66,383	\$ 60,916	\$ (5,467)
Contractual Services	126,709	123,885	135,000	11,115
Commodities	19,776	11,083	25,000	13,917
Stored Gas Property Tax	22	14		(14)
Sales Tax and Other	4,063	3,721	3,500	(221)
Transfer	20,000	20,000	20,000	-
Total Expenditures	225,259	225,086	\$ 244,416	\$ 19,330
Receipts over (under) Expenditures	48,204	16,414		
UNENCUMBERED CASH, BEGINNING	270,345	318,549		
UNENCUMBERED CASH, ENDING	\$ 318,549	\$ 334,963		

CITY OF LEBO, KANSAS**WATER FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2019**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018	2019	2019	Variance
	Actual	Actual	Budget	Favorable
				(Unfavorable)
RECEIPTS:				
Water Sales - Customer	\$ 241,448	\$ 241,573	\$ 230,000	\$ 11,573
Sales tax	1,002	1,064	897	167
Reimbursed Expenses and Other Income	4,050	1,541	650	891
Interest on Idle Funds	52	53	25	28
	<u>246,552</u>	<u>244,231</u>	<u>231,572</u>	<u>12,659</u>
Total Receipts	246,552	244,231	\$ 231,572	\$ 12,659
EXPENDITURES:				
Personnel	55,011	55,811	\$ 65,931	\$ 10,120
Contractual Services	133,305	140,719	139,150	(1,569)
Commodities	12,972	13,918	15,000	1,082
Debt Service	25,346	25,346	25,346	
Other	2,186	2,125		(2,125)
Capital Outlay		900		(900)
	<u>228,820</u>	<u>238,819</u>	<u>245,427</u>	<u>6,608</u>
Total Expenditures	228,820	238,819	\$ 245,427	\$ 6,608
Receipts over (under) Expenditures	17,732	5,412		
UNENCUMBERED CASH, BEGINNING	<u>177,082</u>	<u>194,814</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 194,814</u>	<u>\$ 200,226</u>		

CITY OF LEBO, KANSAS**SEWER FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2019**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018 Actual	2019 Actual	2019 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Sales - Customers	\$ 85,810	\$ 93,737	\$ 84,000	\$ 9,737
Special Assessments	956	956	956	
Total Receipts	86,766	94,693	<u>\$ 84,956</u>	<u>\$ 9,737</u>
EXPENDITURES:				
Personnel Services	25,748	20,683	\$ 36,363	\$ 15,680
Contractual Services	4,521	8,484	10,000	1,516
Commodities	14,372	30,344	14,000	(16,344)
Debt Service	31,397	31,397	31,397	
Transfer to General	10,000	10,000	10,000	-
Total Expenditures	86,038	100,908	<u>\$ 101,760</u>	<u>\$ 852</u>
Receipts over (under) Expenditures	728	(6,215)		
UNENCUMBERED CASH, BEGINNING	<u>154,613</u>	<u>155,341</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 155,341</u>	<u>\$ 149,126</u>		

CITY OF LEBO, KANSAS**SOLID WASTE FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2019**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018 Actual	2019 Actual	2019 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Sales - Customers	\$ 65,436	\$ 66,437	\$ 63,000	\$ 3,437
Total Receipts	65,436	66,437	<u>63,000</u>	<u>3,437</u>
EXPENDITURES:				
Contractual Services	61,888	62,888	\$ 62,888	\$ -
Transfers Out		10,000	10,000	-
Total Expenditures	<u>61,888</u>	<u>72,888</u>	<u>\$ 72,888</u>	<u>\$ -</u>
Receipts over Expenditures	3,548	(6,451)		
UNENCUMBERED CASH, BEGINNING	<u>17,540</u>	<u>21,088</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 21,088</u>	<u>\$ 14,637</u>		

CITY OF LEBO, KANSAS

SCHEDULE OF SELECTED UTILITY OPERATING DATA YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
WATER STATISTICS:		
Number of customers	443	443
Gallons sold	17,187,600	18,650,400
Gallons purchased	18,883,000	20,022,000
Water loss percentage	8.98%	6.85%
Average monthly usage per customer	3,233	3,508
Charges for service	\$ 241,573	\$ 241,448
Average customer charge per month	\$ 45.43	\$ 45.41

CITY OF LEBO, KANSAS

SCHEDULE OF OTHER OPERATING DATA YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Population	888	888
Assessed Valuation	\$ 5,098,264	\$ 4,973,374
Mill Levy	36.522	36.313
Total Receipts	\$ 1,311,478	\$ 1,570,638
Total Disbursements	\$ 1,129,156	\$ 1,397,081
Indebtedness	\$ 481,103	\$ 525,143
Receipts per Capita	\$ 1,477	\$ 1,769
Disbursements per Capita	\$ 1,272	\$ 1,573
Indebtedness per Capita	\$ 542	\$ 591